

JUNE 18, 2001

**SCHAKOWSKY, SENIORS AND LABOR LEADERS RALLY
IN NEW YORK AGAINST SOCIAL SECURITY PRIVATIZATION**

**TREASURY SECRETARY O'NEILL WINES AND DINES
WITH WALL STREET WHILE SENIORS LEFT TO "EAT CAKE"**

NEW YORK, NY - U.S. Representative Jan Schakowsky (D-IL) today joined seniors and labor leaders at a rally in New York to oppose the privatization of Social Security. The rally was held outside the World Trade Center, while Treasury Secretary Paul O'Neill attended a luncheon organized by the Coalition for American Financial Security, an umbrella group of Wall Street firms intent on pushing the Bush Administration's privatization scheme that would guarantee them billions of dollars that rightfully belong to Social Security beneficiaries.

Below is Schakowsky's statement:

"Last month, the Bush Administration pushed through a \$2 trillion, 10 year tax plan, half of which goes to the wealthiest 5 percent of all Americans. They've rewarded their wealthy supporters. Now they are trying to reward Wall Street by privatizing Social Security."

"We will not allow them to sacrifice all those who rely on Social Security on the altar of tax breaks for the rich or paybacks to Wall Street. Retirees, disabled workers, survivors and dependents should not be asked to give up benefits so that Wall Street brokers and the wealthy can get even richer. We will not let them get away with putting together a so-called Commission, stacked with privatizers. We will not let them get away with saying that the retirement age must be raised and COLAs lowered in order to pay for tax breaks. We will not let them get away with turning Social Security over to Wall Street."

"Privatization would be lethal. A Century Foundation study found that the Bush plan to divert 2 percentage points of the current payroll tax into individual accounts would force a 54 percent cut in benefits in order to restore long-term solvency."

"Privatization is risky. Do we really want retirees or disabled workers or dependents having to check the stock market each morning to see whether they can afford to eat or buy medicine or afford college textbooks that day?"

"Privatization hurts women - who live longer and need guaranteed benefits. No privatization plan guards against individual accounts balances being eroded by inflation. No privatization plan guarantees that the money won't run out, leaving older women without income."

"Privatization adds administrative costs. Social Security spends 2 percent on administration costs. Under privatization, workers would likely lose between 20 and 40 percent of their accounts' value to administrative charges and management fees.

"Privatization hurts people on disability and survivors - who are 30% of Social Security beneficiaries."

"Several years ago, Gordon Gecko, played by Michael Douglas, in the movie Wall Street said, 'Greed is good. Greed is right. Greed works.' Let me tell you, greed may be good for Wall Street but greed is not good when it comes to Social Security. Those companies having lunch upstairs at Windows on the World know where their interests lie. They're not putting together a \$20 million war chest to fund a Social Security privatization campaign out of a new sense of social conscience but because they know which side their bread is buttered on.

"What is truly disappointing is that Treasury Secretary Paul O'Neill is joining them today. But it is not surprising. In an interview with Financial Times, Secretary O'Neill made it clear that he supports privatization because he doesn't support Social Security and Medicare. "Able-bodied adults should save enough on a regular basis so that they can provide for their own retirement and for that matter for their health and medical needs." In other words, your retirement and retiree health care needs are your problem.

"I'd like to invite Secretary O'Neill not to have lunch at Windows on the World but to come here or to my district. I'd like him to have lunch with working families and see how easy it is for them to make ends meet, let alone save for retirement and health care. I'd like him to see how hard it is for retirees. Maybe he'd learn how much we need Social Security and Medicare - how critical they are and how crazy it is to even think about privatization."